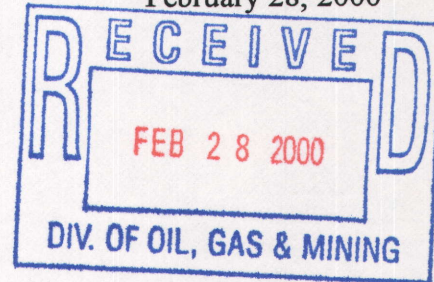




PEARL QUEEN PERLITE CORPORATION

m/001/027
S/001/043

February 28, 2000



Mr. Thomas Munson
Division of Oil, Gas and Mining
Box 145801
Salt Lake City, Utah 84114

Dear Tom,

We met and have discussed the transfer of mining permits and reclamation responsibility from Pearl Queen Perlite Corporation to Basin Perlite Company. Here is our application to transfer the following mining permits in Beaver County:

1. Large Mine Permit M/001/027 (Pearl Queen Mine)
2. Small Mine Permit S/001/043 (Pearl Queen Perlite Milford Mill Site)

We are sending the following data:

1. Transfer of Notice of Intention - Large Mine Permit
2. Transfer of Notice of Intention - Small Mine Permit
3. Reclamation Contract - Basin Perlite Company
4. Surety Bond (\$40,800 reclamation requirement)

We appreciate your help and support in this matter.

Sincerely,

O. Jay Gatten

OJG/jbw

Enclosures

cc: correspondence (no encl)
mine permit (no/encl)
Basin Perlite (no/encl)

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